

HOUSE BILL 548

Q3
HB 1257/11 – W&M

2lr1819

By: **Delegates Minnick, Aumann, Boteler, Clagett, Hershey, Hogan, Jacobs, Kach, McDermott, Otto, Schulz, Smigiel, and Weir**

Introduced and read first time: February 3, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification – Military Compensation Outside the**
3 **United States**

4 FOR the purpose of altering the calculation of a subtraction modification under the
5 Maryland income tax for certain military compensation paid under certain
6 circumstances; providing for the application of this Act; and generally relating
7 to the taxation of certain military compensation.

8 BY repealing and reenacting, without amendments,
9 Article – Tax – General
10 Section 10–207(a)
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2011 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Tax – General
15 Section 10–207(p)
16 Annotated Code of Maryland
17 (2010 Replacement Volume and 2011 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article – Tax – General**

21 10–207.

22 (a) To the extent included in federal adjusted gross income, the amounts
23 under this section are subtracted from the federal adjusted gross income of a resident
24 to determine Maryland adjusted gross income.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (p) **[(1)]** The subtraction under subsection (a) of this section includes the
2 first \$15,000 of military pay that is:

3 **[(i)] (1)** received by an individual who is in active service of
4 any branch of the armed forces; and

5 **[(ii)] (2)** attributable to military service of the individual
6 outside the United States.

7 **[(2)** The amount of the subtraction under paragraph (1) of this
8 subsection:

9 (i) is reduced dollar for dollar in the amount by which military
10 pay received by the individual exceeds \$15,000; and

11 (ii) is reduced to zero if the amount of military pay received by
12 the individual exceeds \$30,000.]

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 2012, and shall be applicable to all taxable years beginning after December 31,
15 2011.